3162.41 NM-03318

APR 0 2 1993

CERTIFIED - RETURN RECEIPT REQUESTED P 135 589 976

Cancellation of Intent to Drill

Davero, Inc. 2124 Broadway Lubbock, Texas 79701

Dear Sir:

Your Application for Permit to Drill Gulf Federal well No. 3 on Lease No. NM-03318, 1980'/S and 1980'/E, Section 29, T. 9 S., R. 38 E., Lea County, New Mexico, was approved November 22, 1991. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of this application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming no surface disturbance has been made at this drill site. A schedule for rehabilitation must be submitted to this office for any surface disturbance associated with the approved location of this well.

Your cooperation in this matter is appreciated.

Sincerely,

Orig. Signed by Richard L. Manus

Richard L. Manus Area Manager

bcc: NM (060) NM (067A) NMOCD, Hobbs NM (067, B. Hunt)